

**STATEMENT OF THE HONORABLE
Wm. Lacy Clay
Before
The Committee on Financial Services**

“FY2004 Housing and Urban Development Budget”

March 5, 2003

Good morning Mr. Chairman, Members of the Committee and witnesses.

Mr. Chairman, I am painstakingly searching for the overall good in this budget. It must be there because I have been told, by some, that this is a good budget and that it will improve the nation’s housing programs. Perhaps the good is there, but hidden under the glare of draconian cuts to Hope VI (the program is still there, just no funds). Perhaps it is hidden by my attention and resulting dismay at the cuts in operating and capital funds of the Public Housing Authorities. By the way, what is the amount of the cut? Is it 10%? 30%? These figures changed as the groundswell of public criticism indicated that the American people would not stand for the gutting of programs that was initially intended to provide housing for those who would not have adequate housing except for these programs. However, PHAs all over the nation are still confused as to their level of operating funds. Congress exceeded HUD’s request by 2% and the President signed it. Why the cuts?

This budget is an outright attack on the nation’s most vulnerable, the elderly, the unemployed, working poor, and low and middle income individuals and families. Combining the cuts for Section 8 housing assistance, it amounts to over \$1 billion. The voucher program will not service the numbers that were there last year, forget about any additions. To take the voucher program from the local authorities who have an intimate knowledge of their local needs is not a smart move at all especially when one considers the \$100 million transfer costs.

Why raise the cost to our poorest families with a rent increase? Though it is advertised to require a payment of at least \$50 per month, it actually has no ceiling and will allow the long standing protection of families paying no more than 30% of income on rent.

I have concerns about CDBG block grants, Brownfield development grant elimination, and Rural Housing and Economic Development Grants.

Mr. Chairman, I ask unanimous consent to place my remarks in the record.